

## Message Text

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11

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AGRE-00 COME-00 TRSE-00 STR-04

SP-02 L-03 CIAE-00 INR-07 NSAE-00 /031 W

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P 220419Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 3133

C O N F I D E N T I A L MANILA 18270

DEPT PASS USDA FAS WASHDC

E.O. 11652: GDS

TAGS: EAGR, RP

SUBJECT: LONG-TERM PARTICIPATING CONTRACTS BETWEEN GOP AND US  
REFINERIES

1. PRESIDENT MARCOS DECISION TO RENEGOTIATE LONG-TERM  
PARTICIPATING SUGAR CONTRACTS WITH U.S. REFINERIES IS BEING  
REPORTED SEPTEL.

2. LOCAL SOURCE INDICATES PRESIDENT MARCOS PERSONALLY MADE  
DECISION TO RENEGOTIATE PARTICIPATING CONTRACTS AND WILL  
BE "DIRECTLY" INVOLVED IN RENEGOTIATIONS (PRESUMABLY FROM  
BEHIND THE SCENES, RATHER THAN AS MEMBER OF PHILIPPINE  
NEGOTIATING TEAM.) U.S. REFINERIES HOLDING THESE  
CONTRACTS HAVE BEEN PLEASED WITH RESULTS, BUT, OBVIOUSLY,  
LOW WORLD SUGAR PRICES HAVE PRECIPITATED DESPARATE SEARCH  
BY GOP FOR MEANS TO INCREASE IMPORT EARNINGS AND RELIEVE  
CONTINUING EXPENSE OF VERY HIGH STOCKS.

3. BASIC CONCEPT OF AGREEMENT, E.G. TYING PRICE OF RAW  
SUGAR TO PRICE OF U.S. REFINED SUGAR, APPEARS TO HAVE BEEN  
THROWN INTO QUESTION, AND RENEGOTIATION MAY THUS INVOLVE  
MORE THAN SIMPLE REARRANGEMENT OF PRICING  
FORMULA WHICH WOULD INCREASE SHARE OF PHILIPPINES. PRICE  
COULD, FOR EXAMPLE, BE TIED TO WORLD MARKET PRICE. U.S.  
PRODUCERS WILL ALMOST CERTAINLY GO ALONG WITH MARCOS  
REQUEST FOR RENEGOTIATION.SUCH RENEGOTIATION IS PROVIDED  
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FOR IN CONTRACT AND MOST IMPORTANTLY, U.S. REFINERIES

BELIEVE THEY HAVE A GOOD THING GOING AND WOULD LIKE TO SEE  
IT CONTINUE - EVEN IN ALTERED FORM. SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, CONTRACTS, REFINERIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 NOV 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MANILA18270  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760435-0213  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LONG-TERM PARTICIPATING CONTRACTS BETWEEN GOP AND US  
**TAGS:** EAGR, RP, US  
**To:** STATE  
**Type:** TE  
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